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- Let us know if you want to start getting your newsletter via e-mail (and help cut down on paper and mailing costs).



- BE SURE TO FILL IN YOUR E-MAIL ADDRESS AND CURRENT MAILING ADDRESS!

(We're going electronic now!)



OR

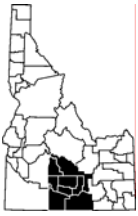
- Fill out the short survey on the inside back page of this newsletter.
- Remove survey and mail it back to us **BY JULY 31** to:

Public Affairs—Newsletter Survey
Idaho Commerce & Labor
317 W. Main St.
Boise, ID 83735

If we do not hear from you, we will assume you no longer want to receive *Idaho Employment*. It is always available online at <http://lmi.idaho.gov> under Publications.

If you have any questions, send us an e-mail at lmi@cl.idaho.gov.
THANKS!

Editors, Idaho Employment



South Central Idaho News

BLAINE, CAMAS, CASSIA, GOODING, JEROME, LINCOLN, MINIDOKA & TWIN FALLS COUNTIES

ECONOMIC TRENDS

The seasonally adjusted unemployment rate for the Twin Falls/Jerome Micropolitan Statistical Area was 3.2 percent for May. This is one-tenth of a percentage point higher than April but four-tenths of a point lower than May 2005. The civilian labor force increased year-over-year to 50,490.

South central Idaho continues to be very hot for job seekers in 2006. Both residential and heavy construction is in full swing, and construction employment increased 17.4 percent from May 2005 with no signs of slowing. Twin Falls and Jerome are on a pace to break the building records set in 2005. Additional construction is taking place at the new Crossroads Development, and work on the temple of the Church of Jesus Christ of Latter-day Saints is in full swing. Only a major increase in mortgage rates could significantly affect activity in the near term.

Manufacturing other than food processing posted a 10.6 percent gain in jobs over the year while transportation and warehousing employment was up over 24 percent and retail trade rose 9 percent. Strong retail activity is no surprise since consumer confidence in the area is higher than ever. Workers feel secure in their employment, and wages have improved although the region is typically low compared to the rest of the state. There is a tremendous upswing in the transportation and storage of goods and services. Many cheese producers in the area need to transport and store their whey products, but the price of fuel is of increasing concern. In south central Idaho, the average price is nearing \$3 a gallon. This is a large variable cost that is being passed on to the consumer when possible. In addition, workers with commutes of over 10 miles have experienced over a 50 percent increase in fuel costs, and if

South Central Idaho Table 1: Twin Falls-Jerome MicSA Labor Force & Employment—Twin Falls and Jerome counties

	May 2006*	Apr 2006	May 2005	% Change From	
				Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
<i>Seasonally Adjusted</i>					
Civilian Labor Force	50,550	54,080	48,490	-6.5	4.2
Unemployment	1,620	1,660	1,730	-2.4	-6.4
% of Labor Force Unemployed	3.2	3.1	3.6		
Total Employment	48,930	52,420	46,760	-6.7	4.6
<i>Unadjusted</i>					
Civilian Labor Force	50,630	53,590	48,560	-5.5	4.3
Unemployment	1,420	1,630	1,540	-12.9	-7.8
% of Labor Force Unemployed	2.8	3.0	3.2		
Total Employment	49,210	51,960	47,020	-5.3	4.7
JOBS BY PLACE OF WORK					
Nonfarm Payroll Jobs**	39,460	39,150	37,250	0.8	5.9
<i>Goods-Providing Industries</i>	6,760	6,620	6,170	2.1	9.6
Natural Resources & Mining	50	40	40	25.0	25.0
Construction	2,290	2,170	1,950	5.5	17.4
Manufacturing	4,420	4,410	4,180	0.2	5.7
Food Manufacturing	2,430	2,450	2,380	-0.8	2.1
Other Manufacturing	1,990	1,960	1,800	1.5	10.6
<i>Service-Providing Industries</i>	32,700	32,530	31,080	0.5	5.2
Trade, Transportation & Utilities	10,020	9,890	8,990	1.3	11.5
Wholesale Trade	1,910	1,910	1,780	0.0	7.3
Retail Trade	5,810	5,700	5,330	1.9	9.0
Utilities	160	160	160	0.0	0.0
Transportation & Warehousing	2,140	2,120	1,720	0.9	24.4
Information	610	610	620	0.0	-1.6
Financial Activities	1,740	1,740	1,660	0.0	4.8
Professional & Business Services	5,130	5,000	5,060	2.6	1.4
Educational & Health Services	3,450	3,450	3,260	0.0	5.8
Leisure & Hospitality	3,210	3,210	3,160	0.0	1.6
Other Services	1,380	1,370	1,350	0.7	2.2
Government Education	3,260	3,390	3,230	-3.8	0.9
Government Administration	3,900	3,870	3,750	0.8	4.0

*Preliminary Estimate

**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

wages are marginal, they may not be able to afford to stay with their existing employers. The Blaine County area has experienced very low unemployment and already has faced the problem of lack of affordable housing, pushing service sector workers into commutes that typically total 150 miles a day. High fuel prices have had a strong impact on that work force, making consideration of car pooling and some form of public transportation necessary if fuel costs remain high as expected.

The picture this year has improved for agriculture. Snowpack and water levels are at their highest in years. Virtually every reservoir is filled to capacity. Key crops are ahead of recent years, and farm hiring is at or above average levels. Idaho's milk production has been increasing. In 2005, it totaled 10.2 billion pounds, up 12 percent from 2004 with the amount per cow up 886 pounds to 22,332 pounds.

Through this May, production is running 8 percent ahead of the first five months of 2005, primarily the result of a 2.5 percent increase in the dairy herd. Idaho cash receipts for marketing milk last year were \$1.42 billion, 4 percent higher than 2004.

However, not everything is good in agriculture. There is deep concern over a water call issued by the Idaho Department of Water Resources that affects about 1,300 wells. In January 2005, the department initially issued the call, demanding that the irrigators relying on those 1,300 wells release the equivalent of 27,006 acre-feet of water to the Twin Falls Canal Co. for surface water irrigation and other uses. The department acted on a petition filed by the Surface Water Coalition, made up of seven surface water canal companies and irrigation districts in the region. That original call was not enforced to give the state and others a year to resolve the dispute in which surface water users claim their supplies are being depleted by the deep wells increasingly used for irrigation. Under the renewed call, if groundwater users with water rights dated May 27, 1979, or later fail to respond, their well pumping will be curtailed and possibly halted. The situation was clouded further by 5th District Judge Barry Wood's recent decision voiding Idaho's rules on how the department manages ground and surface water. If wells are shut down, there is a possibility that employment in the region will be adversely affected.

AREA DEVELOPMENTS

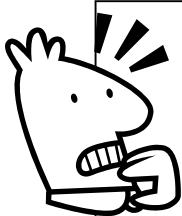
Cassia and Minidoka Counties

- On June 20, Idaho Gov. Jim Risch, accompanied by Idaho Commerce & Labor Director Roger B.

Madsen, presented the city of Burley \$150,000 for infrastructure improvements to the M.H. King warehouse, which is being renovated for Mulholland Position Systems Inc.'s new manufacturing plant. Mulholland makes gait assistance devices for adults and children with cerebral palsy. Mulholland plans to hire 30 to 50 people for manufacturing jobs when it opens later this year. Risch also visited Minidoka Memorial Hospital in Rupert where he presented the hospital with a \$448,311 grant to finance a new surgery center.

- Risch and Madsen also met with residents from Minidoka and Cassia counties on the impending closure of Kraft Cheese in Rupert. The company is closing the plant at the end of the year as part of its new business strategy. This will affect 167 people. Risch assured the residents that state government will use every resource available to minimize the impact of the job loss. He was optimistic that, based on the interest already expressed, the plant will be bought by someone in the cheese industry. Efforts to recruit a buyer will begin once an inventory of the plant is completed so that a new company might be ready to step in as soon as Kraft closes.

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DON'T LET THIS ISSUE BE YOUR LAST!

This is the issue with the short survey that will let us know what you want to see in this newsletter and how you want to receive it. It's also your opportunity to get your monthly newsletter online.

Please fill out the survey on the inside back page and return it in the postage paid return envelope that is included. OR you can take the survey online at <http://lmi.idaho.gov/survey>. We value your opinion and hope to continue providing you with the economic condition of Idaho.

Please take a few minutes to fill out the survey below. Don't forget the last question so you will keep receiving Idaho Employment!

1. What newsletter sections are valuable to you? Please rate the value of each section by circling one from 1 to 5 (1- least valuable, 5= most valuable)

Labor force & nonfarm data	1	2	3	4	5
Regional news	1	2	3	4	5
FYI	1	2	3	4	5
State overview	1	2	3	4	5
Overall newsletter	1	2	3	4	5

2. How often should Idaho Employment be published? (please check one)

☐ Monthly
☐ Quarterly (includes monthly data)

3. What other economic indicators would you like to see in the newsletter?

4. Do you use the Labor Market Information Web site — lmi.idaho.gov?

☐ Yes
☐ No

5. If yes, how often do you go to lmi.idaho.gov?

☐ Daily
☐ Weekly
☐ Monthly
☐ Once in awhile

6. Idaho Employment could be improved by adding the following data or making the following changes:

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THANK YOU!